

## ACT 10

S.B. NO. 1548

A Bill for an Act Making an Emergency Appropriation for the State Medical Assistance Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. Act 287, Session Laws of Hawaii 1996, appropriated a sum of money to the department of human services to provide funds for the medical assistance program under the med-QUEST division for the fiscal period beginning July 1, 1996, and ending June 30, 1997.

A critical funding emergency exists. The medical assistance program, also known as the medicaid program, will expend all appropriated funds before the end of the current fiscal year and the department will be unable to meet its fiscal obligation to provide health care services to medicaid recipients. The increase in eligible recipients and the increase in health care costs in Hawaii are the primary contributing factors to this financial situation. The extent of the increase in costs was not anticipated and reflects an unusually high escalation over the previous year.

To prevent the reduction or discontinuance of direct medical services for medicaid and Hawaii QUEST recipients, additional funds are urgently needed.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$54,745,844 or so much thereof as may be necessary for fiscal year 1996-1997 to be used for health care payments for medical assistance recipients; provided that \$750,000 of that sum shall be used to provide wraparound payments to Hawaii qualified health centers.

SECTION 4. The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval.

(Approved April 9, 1997.)